Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in .....Klamath...Falls........... County, Oregon, described as:

The South 1/2 of the South 1/2 of the North East 1/4 of the North East 1/4 of Section 33, Township 23 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon. EXCEPTING THEREFROM the East 30 feet, containing 10 acres, more or less.

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with

the property.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum.

Twelve Thousand dollars and No/100-each agreement of grantor herein contained and payment of the sum.

°(\$12,000)-----

Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable. June 16 2003

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of the note becomes due and payable. Should the grantor either agree to, attempt to, or actually sell, convey, or assign all (or any part) of the property or all (or any part) of grantor's interest in it without first obtaining the written consent or approval of the beneficiary, then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable. The execution by grantor of an earnest money agreement\*\* does not constitute a sale, conveyance or assignment.

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To protect the security of this trust deed, grantor agrees:

1. To protect, preserve and maintain the property in soci condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any vast and habitable condition any building or improvement thereon; and to commit or permit any vast and habitable condition any building or improvement which may be constructed, damaged or destroyed thereon, and or destroyed thereon, and or destroyed thereon.

3. To complete or restore promptly and it will cost incurred therefor.

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4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the property against loss or damage by fire and such other hazards as the beneficiary may from time to time require, in an amount not less than \$-B.q.r.e.l. and the written in companies acceptable to the beneficiary with loss payable to the latter; all policies of insurance shall be delivered to the beneficiary as soon as insured; if the grantor shall fail for any reason to procure any such insurance and to deliver the policies to the beneficiary as soon as insured; if the grantor shall fail for any reason to procure any such insurance policy may be applied by beneficiary may procure the same at grantor's expanse. The amount collected under any line or other insurance policy may be applied by beneficiary may procure the same

It is mutually agreed that:
8. In the event that any portion or all of the property shall be taken under the right of eminent domain or condemnation, beneficiary shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking,

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state. Its subsidiaries, affiliates, agents or bit uches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585. WARNING: 12 USC 1701j-3 regulates and may prohibit exercise of this option.

"The publisher suggests that such an agreement address the issue of obtaining beneficiary's consent in complete detail.